



Report to the Auburn City Council

Action Item
Agenda Item No. 12
<i>[Signature]</i> City Manager's Approval

To: Honorable Mayor and City Council Members
From: Robert Richardson, City Manager
Andy Heath, Administrative Services Director
Date: June 25, 2012
Subject: Operating, Debt Service and Capital Project Budgets for
Fiscal Year 2012-13 – Final Adoption

The Issue

Shall the City Council authorize the revenue estimates and expenditure appropriations recommended by the City Manager for the operations of all City Funds for fiscal year 2012-13?

Action Requested

Review and consider recommended appropriations for the City's General, Enterprise, Special Revenue, Capital Projects and Debt Service Funds for fiscal year 2012-13.

- 1) By RESOLUTION, adopt revenue estimates and expenditure appropriations for all City Funds for fiscal year 2012-13 as summarized in the fund schedules presented with the Fiscal Year 2012-13 Proposed Budget.
- 2) By RESOLUTION, establish a General Fund "cash reserve" in the amount of \$2,839,065 as summarized in the General Fund schedule presented with the Fiscal Year 2012-13 Proposed Budget.

Background

As provided by Section 31.026(H) of Title 3 of the Auburn Municipal Code, the City Manager has compiled budget recommendations for City programs and projects for fiscal year 2012-13. As a means to develop the proposed budget, both the City Manager and the Administrative Services Director worked with department heads and management staff to review funding requests consistent with goals and objectives outlined by the City Council and maintaining efficient and effective service delivery to the community. Funding priorities were determined based on Council directives and goals, revenue generation, cost efficiency, cost recovery, project delivery and improved public service and efficiency.

An initial citywide budget presentation was provided to an open session of the City Council on June 11, 2012. Subsequent to the budget presentation, a motion was passed to defer action on the budget until the June 25, 2012 City Council meeting to allow for more time for the public to review the budget and ask any questions. As referenced in the June 11, 2012 City Council meeting, the proposed budget for FY 2012-13 has been made available for review on the City's website.

Analysis

Over the course of the last two weeks, staff has been made aware of two known changes that will have an impact on the proposed budget as noted below:

CalPERS Health Insurance Costs

CalPERS recently released the health insurance costs for all medical plans effective January 1, 2013. The proposed budget assumed a 5% increase in health insurance costs, however, the actual amount will be a blended increase of approximately 9.9%. Budgetary impacts of the expenditure increase are:

General Fund Personal Services -	\$17,286
Sewer Fund Personal Services -	\$ 989
Transit Fund Personal Services -	\$ 867

City Clerk Compensation

On June 28, 2010, the City Council approved a motion setting the City Clerk's stipend at \$200 each month, with no benefits, effective December 2012. The proposed budget for FY 2012-13 did not take into account this personal services adjustment for the City Clerk's Office. Budgetary impacts of the expenditure decrease are:

General Fund Personal Services -	\$ 5,021
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The changes noted above will be referenced in quarterly and/or mid-year budget status reports once approved with the FY 2012-13 proposed budget. As of the writing of this memorandum, June 20, 2012, there have been no other questions received nor other noted changes regarding the FY 2012-13 proposed budget.

Alternatives Available to Council; Implications of Alternatives

1. Accept the City Manager's Fiscal Year 2012-13 Proposed Budget recommendations, as submitted herein.
2. Modify specific appropriations pursuant to City Council discussion.

Fiscal Impact

The Fiscal Year 2012-13 Proposed Budget balances recommended expenditures with anticipated revenues and carryover/reserve monies available for all budgeted fund types.

NOTE: The Fiscal Year 2012-13 Proposed Budget, due to its size, is available at the following locations for review:

**City Hall – City of Auburn
1225 Lincoln Way, Auburn, CA 95603**

**City Clerk's Office (Room 8)
Administrative Services Department (Room 1)**

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RESOLUTION NO. 12-
RESOLUTION APPROVING 2012-13 FISCAL YEAR BUDGET

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby authorize and adopt the 2012-13 Fiscal Year budgets for the City's General, Enterprise, Capital Projects, Debt Service, and Special Revenue Funds and does hereby authorize the funding and expenditures set forth therein. The revenue estimates and expenditure appropriations authorized for said funds are summarized in the Fiscal Year 2012-13 Proposed Budget. Copies of these budget documents are available for review at the Office of the City Clerk and in the Administrative Services Department.

DATED: June 25, 2012

Kevin Hanley, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a regular meeting of the City Council of the City of Auburn held on the 25th day of June 2012 by the following vote on roll call:

Ayes:
Noes:
Absent:

Joseph G. R. Labrie, City Clerk

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RESOLUTION NO. 12-
RESOLUTION ESTABLISHING A GENERAL FUND CASH RESERVE IN THE
AMOUNT OF \$2,839,065 AS SUMMARIZED IN THE FISCAL YEAR 2012-13
PROPOSED BUDGET

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby establish a
General Fund cash reserve in the amount of \$2,839,065 as summarized in the
Fiscal Year 2012-13 Proposed Budget.

DATED: June 25, 2012

Kevin Hanley, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
that the foregoing resolution was duly passed at a regular meeting of the City
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Ayes:
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